

AN ASSESSMENT RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA, AUTHORIZING AND ADOPTING A NON-AD VALOREM SPECIAL ASSESSMENT WITHIN THE COUNTY LIMITS FOR THE PURPOSE OF BENEFITING ASSESSED PROPERTIES THROUGH ENHANCED MEDICAID PAYMENTS FOR LOCAL SERVICES; FINDING AND DETERMINING THAT CERTAIN REAL PROPERTY IS SPECIALLY BENEFITED BY THE ASSESSMENT; COLLECTING THE ASSESSMENT AGAINST THE REAL PROPERTY; ESTABLISHING A PUBLIC HEARING TO CONSIDER IMPOSITION OF THE PROPOSED ASSESSMENT AND THE METHOD OF ITS COLLECTION; AUTHORIZING AND DIRECTING THE PUBLICATION OF NOTICES IN CONNECTION THEREWITH; PROVIDING FOR CERTAIN OTHER AUTHORIZATIONS AND DELEGATIONS OF AUTHORITY AS NECESSARY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, hospitals in Indian River County’s jurisdiction (the “Hospitals”) annually provide millions of dollars of uncompensated care to uninsured persons and those who qualify for Medicaid because Medicaid, on average, covers only 60% of the costs of the health care services actually provided by Hospitals to Medicaid-eligible persons, leaving Hospitals with significant uncompensated costs; and

WHEREAS, the State of Florida (the “State”) received federal authority to establish the Statewide Medicaid Managed Care Hospital directed payment program (the “DPP”) to offset hospitals’ uncompensated Medicaid costs and improve quality of care provided to Florida’s Medicaid population; and

WHEREAS, Hospitals have asked Indian River County (the “County”) to impose a non-ad valorem special assessment upon certain real property interests held by the Hospitals to help finance the non-federal share of the State’s Medicaid program; and

WHEREAS, the only real property interests that will be subject to the non-ad valorem assessments authorized herein are those belonging to the Hospitals; and

WHEREAS, the County recognizes that one or more of the Hospitals within the County’s boundaries may be located upon real property leased from governmental entities and that such Hospitals may be assessed because courts do not make distinctions on the application of special assessments based on “property interests” but rather on the distinction of the classifications of real property being assessed; and

WHEREAS, the funding raised by the County assessment will, through intergovernmental transfers (“IGTs”) provided consistent with federal guidelines, support additional funding for Medicaid payments to Hospitals; and

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WHEREAS, the County acknowledges that the Hospital properties assessed will benefit directly and especially from the assessment as a result of the above-described additional funding provided to said Hospitals; and

WHEREAS, the County has determined that a logical relationship exists between the services provided by the Hospitals, which will be supported by the assessment, and the special and particular benefit to the real property of the Hospitals; and

WHEREAS, the County has an interest in promoting access to health care for its low-income and uninsured residents; and

WHEREAS, leveraging additional federal support through the above-described IGTs to fund Medicaid payments to the Hospitals for health care services directly and specifically benefits the Hospitals' property interests and supports their continued ability to provide those services; and

WHEREAS, imposing an assessment limited to Hospital properties to help fund the provision of these services and the achievement of certain quality standards by the Hospitals to residents of the County is a valid public purpose that benefits the health, safety, and welfare of the citizens of the County; and

WHEREAS, the assessment ensures the financial stability and viability of the Hospitals providing such services; and

WHEREAS, the Hospitals are important contributors to the County's economy, and the financial benefit to these Hospitals directly and specifically supports their mission, as well as their ability to grow, expand, and maintain their facilities in concert with the population growth in the jurisdiction of the County; and

WHEREAS, the Board finds the assessment will enhance the Hospitals' ability to grow, expand, maintain, improve, and increase the value of their Indian River County properties and facilities under all present circumstances and those of the foreseeable future; and

WHEREAS, the County is proposing a properly apportioned assessment by which all Hospitals will be assessed at a uniform rate that is compliant with 42 C.F.R. § 433.68(d); and

WHEREAS, on September 14, 2021, the Board of County Commissioners adopted Ordinance No. 2021-012, enabling the County to levy a uniform non-ad valorem special assessment, which is fairly and reasonably apportioned among the Hospitals' property interests within the County's jurisdictional limits, to establish and maintain a system of funding for IGTs to support the non-federal share of Medicaid payments, thus directly and specially benefitting Hospital properties.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA:

Section 1. Definitions. As used in this Resolution, the following capitalized terms, not

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otherwise defined herein or in the Ordinance, shall have the meanings below, unless the context otherwise requires.

Assessed Property means the real property in the County to which an Institutional Health Care Provider holds a right of possession and right of use through an ownership or leasehold interest, thus making the property subject to the Assessment.

Assessment means a non-ad valorem special assessment imposed by the County on Assessed Property to fund the non-federal share of Medicaid and Medicaid managed care payments that will benefit hospitals providing Local Services in the County.

Assessment Coordinator means the person appointed to administer the Assessment imposed pursuant to this Article, or such person's designee.

Board means the Board of County Commissioners of Indian River County, Florida.

Comptroller means the Indian River County Comptroller, ex officio Clerk to the Board, or other such person as may be duly authorized to act on such person's behalf.

County means Indian River County, Florida.

Fiscal Year means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

Institutional Health Care Provider means a private for-profit or not-for-profit hospital that provides inpatient hospital services.

Local Services means the provision of health care services to Medicaid, indigent, and uninsured members of the Indian River County community.

Non-Ad Valorem Assessment Roll means the special assessment roll prepared by the County.

Ordinance means the Indian River County Local Provider Participation Fund Ordinance codified in Title II, Chapter 215 of the Indian River County Code of Ordinances.

Tax Collector means the Indian River County Tax Collector.

Section 2. Authority. Pursuant to Article VIII, Section 1(f) of the Constitution of the State of Florida, Chapter 125 of the Florida Statutes, and the Indian River County Local Provider Participation Fund Ordinance, the Board is hereby authorized to impose a special assessment against private for-profit and not-for-profit hospitals located within the County to fund the non-federal share of Medicaid payments associated with Local Services.

Section 3. Special Assessment. The non-ad valorem special assessment discussed herein shall be imposed, levied, collected, and enforced against Assessed Properties located within

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the County. Proceeds from the Assessment shall be used to benefit Assessed Properties through a directed payment program that will benefit the Assessed Properties for Local Services.

When imposed, the Assessment shall constitute a lien upon the Assessed Properties owned by Hospitals and/or a lien upon improvements on the Property made by Hospital leaseholders equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments. Payments made by Assessed Properties may not be passed along to patients of the Assessed Property as a surcharge or as any other form of additional patient charge. Failure to pay may cause foreclosure proceedings, which could result in loss of title, to commence.

Section 4. Assessment Scope, Basis, and Use. Funds generated from the Assessment shall be used only to:

1. Provide to the Florida Agency for Health Care Administration the non-federal share of Medicaid managed care hospital directed payments to be made directly or indirectly in support of hospitals serving Medicaid beneficiaries; and
2. Reimburse the County for administrative costs associated with the implementation of the Assessment authorized by the Ordinance.

If, at the end of the Fiscal Year, additional amounts remain in the local provider participation fund, the Board is hereby authorized either (a) to retain such amounts in the fund to transfer to the Agency in the next fiscal year for use as the non-federal share of Medicaid hospital payments, or (b) if requested to do so by the Assessed Properties, to refund to Assessed Properties, in proportion to amounts paid in during the Fiscal Year, all or a portion of the unutilized local provider participation fund.

If, after the Assessment funds are transferred to the Agency, the Agency returns some or all of the transferred funding to the County (including, but not limited to, a return of the non-federal share after a disallowance of matching federal funds), the Board is hereby authorized to refund to Assessed Properties, in proportion to amounts paid in during the Fiscal Year, the amount of such returned funds.

Section 5. Computation of Assessment. The Assessment shall equal 0.56% of net patient revenue for each Assessed Property specified in the attached Non-Ad Valorem Assessment Roll. The amount of the Assessment required of each Assessed Property may not exceed an amount that, when added to the amount of other hospital assessments levied by the state or local government, exceeds the maximum percent of the aggregate net patient revenue of all Assessed Hospitals in the state permitted by 42 C.F.R. § 433.68(f)(3)(i)(A). Assessments for each Assessed Property will be derived from data contained in cost reports and/or in the Florida Hospital Uniform Reporting System, as available from the Florida Agency for Health Care Administration.

Section 6. Timing and Method of Collection. The amount of the assessment is to be collected pursuant to the Alternative Method outlined in §197.3631, Fla Stat.

The County shall provide Assessment bills by first class mail to the owner of each affected Hospital. The bill or accompanying explanatory material shall include: (1) a reference to this

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Resolution, (2) the total amount of the hospital’s Assessment for the appropriate period, (3) the location at which payment will be accepted, (4) the date on which the Assessment is due, and (5) a statement that the Assessment constitutes a lien against assessed property and/or improvements equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments.

No act of error or omission on the part of the Comptroller, Property Appraiser, Tax Collector, Assessment Coordinator, Board, or their deputies or employees shall operate to release or discharge any obligation for payment of the Assessment imposed by the Board under the Ordinance and this resolution.

Section 7. Public Hearing. Per the notice provided on September 3, 2024, the Board has heard and considered objections of all interested persons prior to rendering a decision on the Assessment and attached Non-Ad Valorem Assessment Roll.

Section 8. Responsibility for Enforcement. The County and its agent, if any, shall maintain the duty to enforce the prompt collection of the Assessment by the means provided herein. The duties related to collection of assessments may be enforced at the suit of any holder of obligations in a court of competent jurisdiction by mandamus or other appropriate proceedings or actions.

Section 9. Severability. If any clause, section, or provision of this resolution is declared unconstitutional or invalid for any reason or cause, the remaining portion hereof shall be in full force and effect and shall be valid as if such invalid portion thereof had not been incorporated herein.

Section 10. Effective Date. This Resolution to be effective immediately upon adoption. This Resolution duly adopted this 24th day of September, 2024.

This Resolution duly adopted this 24th day of September, 2024.

The foregoing resolution was moved for adoption by Commissioner _____, seconded by Commissioner _____, and adopted by the following vote:

Chairman Susan Adams	_____
Vice-Chairman Joseph E. Flescher	_____
Commissioner Joseph Earman	_____
Commissioner Deryl Loar	_____
Commissioner Laura Moss	_____

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The Chairman thereupon declared the resolution duly passed and adopted this 24th day of September, 2024.

**BOARD OF COUNTY COMMISSIONERS OF
INDIAN RIVER COUNTY, FLORIDA**

By: _____
Susan Adams, Chairman

ATTEST: Ryan L. Butler, Clerk
Of Court and Comptroller

By: _____
Deputy Clerk

Approved as to form and legal sufficiency:

By: _____
Susan J. Prado
Deputy County Attorney

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Attachment – Assessment Roll

MCD ID #	Organization	Facility	Hospital Address	Parcel #	Rate	2022 Inpatient Net Patient Revenue	SY2025 Assessment of Net IP Revenue	2022 Outpatient Net Patient Revenue	SY2025 Assessment of Net OP Revenue	Mandatory Payment	Invoice Contact	Invoice Address	Email	Phone Number
10104400	Cleveland Clinic Health System	Cleveland Clinic Medical Center / Indian River Hospital	1000 36th St, Vero Beach, FL 32960	32393460000300000001.0	0.56% NPR	\$ 161,493,009	\$ 906,825	\$217,742,381	\$ 1,216,557	\$2,123,382	Joseph Iannucci	1000 36th St, Vero Beach, FL 32960	IANNUCCI@cf.org	
12034100	Encompass Health	Encompass Health Rehabilitation Hospital of Treasure Coast	1600 37th St, Vero Beach, FL 32960	32392600000700000001.4	0.56% NPR	32,482,109	181,900	-	-	\$181,900	Andrew Wilburn and Katie Shuey	9001 Liberty Parkway, Birmingham, AL 35242	andrew.wilburn@encompasshealth.com; katie.shuey@encompasshealth.com	(205) 970-5761
12001400	Steward Health Care System	Sebastian River Medical Center	13695 US-1, Sebastian, FL 32958	30382500000002000006.1	0.56% NPR	49,772,622	278,727	70,771,153	396,338	\$675,045	Brian Boof, Nigel Bowman	1900 N. Pearl St., Suite 2400, Dallas, Texas 75201	Brian.Boof@steward.org; Nigel.Bowman@steward.org	(407) 443-7504

County Phone Number: (772) 226-1408
 BCC Address: Indian River County Administration Building A, 1801 27th St., Vero Beach, FL 32960
 Ordinance Date: September 14, 2021
 Resolution Date: September 10, 2024
 Disability Contact: accessibility@irgov.com or (772) 226-1391
 Mandatory Payments Due Date: Upon receipt of invoice

Number	OWNER NAME	FACILITY DESCRIPTION	FACILITY ADDRESS	PARCEL #	LEGAL DESCRIPTION
1	Indian River County Hospital District C/O Cleveland Clinic Cleveland Clinic	Cleveland Clinic Medical Center/ Indian River Hospital	1000 36th St., Vero Beach, FL 32960	323936000003000000001.0	SEC 36 TWP 32 S RNG 39 E BEING MORE PART DESC AS FOLL: THE NE QUARTER OF THE NW QUARTER LESS THE W 520 FT THEREOF AND ALSO LESS THE E 275 FT OF THE S 800 FT THEREOF AND ALSO LESS THE S 310 FT THEREOF AND ALSO LESS THE S 260 FT OF THE W 934 FT OF THE NW QUARTER OF THE NW QUARTER AND LESS THE N 75 FT FOR ROW ALSO LESS ROW AS RECORDED IN OR 3358/1605
2	Ocean Health Associates Ltd	Encompass Health Rehabilitation Hospital of Treasure Coast	1600 37th St., Vero Beach, FL 32960	323926000007000000001.4	S 715 FT OF SE1/4 OF SE1/4 LESS E 690 FT& LESS W 27.50 FT AS IN OR BK 703 PP 24 43 & LESS S 55 FT FOR RD R/W
3	Mpt of Sebastian-Steward LLC C/O Mpt Operating Partnership LP	Sebastian River Medical Center	13695 US Highway 1, Sebastian, FL 32958	303825000000020000006.1	A PARCEL OF LAND COMPRISING OF GOV GOTS 2 AND 4 SEC.25 TWN 30 RNG 38 MORE PART DESC AS: THAT PORTION OF PROPERTY LYING NW'LY OF 83RD AVE (AKA BAY ST) AND W OF US HWY NO 1. BEG AT THE SW COR OF GOV LOT 2 SEC 25 TWN 30 RNG 38 SAID POINT BEING THE POB RUN S 00 DEG 00 MIN 30 SEC W, 89.54 FT; TH RUN N 35 DEG 10 MIN 46 SEC E, 742.74 FT; TH RUN N 04 DEG 15 MIN 45 SEC E, 49.46 FT TO A POINT ON THE W ROW OF US HWY NO 1; TH RUN ON SAID W ROW S 15 DEG 30 MIN 42 SEC E, 578.17 FT; TH CONT ON THE W ROW, 285.78 FT ON THE ARC OF A 11,459.20 FT RAD CUR CONCAVE TO THE NE, THROUGH A CEN ANG OF 01 DEG 25 MIN 44 SEC TO A POINT ON THE C/L OF A 70 FT ROW KNOWN AS BAY ST; TH CONT ON THE W ROW, 91.20 FT ON THE ARC OF AN 11,459.20 FT RAD, CURVE CONCAVE TO THE NE, THROUGH A CENTRAL ANG OF 00 DEG 27 MIN 22 SEC; TH RUN S 46 DEG 28 MIN 35 SEC W 302.40 FT; TH RUN S 01 DEG 09 MIN 26 SEC E, 820.86 FT TO AN INTERSECTION WITH FLEMING GRANT LINE; TH RUN ON FLEMING GRANT LINE, N 44 DEG 04 MIN 20 SEC W 1921.27 FT TO A POINT ON THE S BNDRY OF GOVT LOT 1, SEC 25, TWN 30 RNG 38; TH RUN N 89 DEG 58 MIN 51 SEC E, 846.14 FT ALONG THE S BNDRY OF GOV LOT 1 A DIS OF 846.14 FT TO THE POB. LESS ROW OR BK 430 PG 732, THAT ROW RECORDED IN OR BK 813 PG 1438 AND SUBJECT TO A CONSERVATION EASEMENT AS DESC IN OR BK 2354 PG 630